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The Hazards of Catching a Lyft: Ride-Sharing in San Francisco

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The Hazards of Catching a Lyft: Ride-Sharing in San Francisco

FEBRUARY 20, 2013 BY [CASSIE HEUCKROTH](#) 1 COMMENT

Catching a cab in San Francisco has never been easier. Services like Lyft, SideCar, and Uber allow passengers to access drivers through an application on their smartphone, bypassing the need for going outside to hail a cab. But the convenience may come with a price.

All three services maintain that their “ride-sharing” services **do not own the cars or employ the drivers**, but merely connect drivers with passengers. Lyft’s co-founder, John Zimmer, expressed that his service is “not a charter-party carrier”, but instead a “peer-to-peer carrier.” (In fact, Lyft’s tagline is “Your friend with a car”). Sunil Paul, SideCar’s CEO, maintains that SideCar is “not a transportation company, it’s a communications platform.” Both services claim that the donations are entirely optional, and that their only involvement in the “ride-sharing” is connecting the driver to the passenger.

Apart from requesting “donations” from passengers instead of demanding payment and using the driver’s personal vehicle for transportation in lieu of a commercial taxicab, the services provided by these companies are virtually indistinguishable from traditional taxicab services. Opponents of these “ride-sharing” services charge that they are nothing more than **illegal taxi companies**.

The California Public Utilities Commission (“CPUC”) has recently charged that Lyft, SideCar, and Uber have all been operating illegally, and issued each of them \$20,000 in citations. The violations cited were: operating as passenger carriers without evidence of public liability and property damage insurance coverage; engaging employee-drivers without evidence of workers’ compensation insurance; failing to enroll drivers in the Department of Motor Vehicles Employer Pull Notice Program; and failing to pre-employment test and enroll drivers in the Controlled Substance and Alcohol Testing Certification Program. All of these ride-sharing companies have been issued cease and desist orders, but Lyft has been the only company to settle; Lyft is excused from the fine, but has agreed to abide by a “set of new regulations.”

But the problems for these companies don’t end there. San Francisco taxi drivers have filed a **class action suit** against Uber. The suit alleges that the company is creating unfair business competition by violating city and state regulations.

Taxi drivers in San Francisco have to jump through numerous **hoops**. Notably, those seeking to become taxi drivers must have no prior convictions that would put public safety at risk, attend training at a taxi training school, attain a sensitivity training certificate and obtain a fingerprint and background check. Drivers for Lyft and SideCar are **not subject to a background check**.

Although drivers are not fingerprinted, they are subjected to important, **probing questions** such as “Where is your favorite place to hang out?” and “If you were to be a car, what kind of car would it be?” during interviews. If ex-convicts are driving for SideCar, at least the passengers can be assured that they are “cool” ex-convicts.

Trevor Johnson, a licensed cab driver, expresses concern about the **safety** of the general public with these “ride-sharing” services. Earlier this month, a Lyft driver **hit a motorcyclist** while there was a passenger in the car, prompting questions about whether insurance would cover persons struck by ride-sharing drivers.

Lyft’s **terms of service** advertise that Lyft “procures insurance that provides Drivers with excess automobile liability insurance up to \$1,000,000 per occurrence.” This coverage, however, is “limited to liability only and does not provide coverage for collision.” Additionally, the terms of services expressly note that the provisions contained therein are “an unofficial summary.” SideCar’s **terms of service** note that no insurance is provided by SideCar. When asked about

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insurance, both SideCar and Lyft tell their drivers that their cars do not need to be covered by commercial liability insurance.

Questions arise as to the safety of others on the road. If SideCar doesn't insure their drivers, will their personal insurance cover an accident when the car was being driven for a commercial purpose? In the interim, San Franciscans seem all too willing to sacrifice safety for convenience.

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